

Text of the D.O. letter dated 24.1.2013 addressed by Selvi J Jayalalithaa, Hon'ble Chief Minister of Tamil Nadu to Dr. Manmohan Singh, Hon'ble Prime Minister of India is reproduced below :-

"May I invite your kind attention to the recent decision of the Government of India of partial deregulation of the price of diesel and the introduction of a dual pricing policy under which the price of diesel for bulk consumers has, all of a sudden, been hiked steeply by Rs.11 per litre and a staggered increase of 55 Paise per litre per month for retail consumers has been effected? To me this appears to be one of the many short-sighted measures taken by the Central Government, which is going to further increase the burden on the common people and aggravate their misery. Perhaps you are unaware that this peculiar dual pricing policy has landed bulk consumers like State Transport Undertakings in a very precarious financial situation and in the case of Tamil Nadu, our State Transport Undertakings are forced to suffer an increased burden of Rs.750 Crore in their fuel bill per annum? I am appalled at the callousness and deviousness of this shocking move that defies all logic.

You will appreciate the fact that the State Transport Undertakings provide transport services to the poor and downtrodden people and these are vital for their commuting to their work-place to earn a living. It is neither feasible nor advisable to raise the bus fares to make up for the huge and sudden increase in the diesel price since it will be unbearable for the common people. The world over, public transportation by buses is subsidized in the interest of the larger public good. It is equally the duty of the Central Government to share the burden of subsidy to provide affordable public transportation facilities to the poor people of this Nation. The Central Government cannot shirk its responsibility and pass on the burden of their own financial mis-management to the States and impose untold hardship on the citizens. I am aghast at the callous attitude of the Central Government, which pays only lip service to protecting the "aam aadmi", but rains one blow after another on them, even as it perversely allows the super rich owners of luxury cars including high priced SUVs running on diesel to continue to enjoy subsidy and pay almost Rs.10 less per litre than State Transport Undertakings that provide transport to the poor!

Given the opacity of the pricing policies of the oil companies, the serious doubts expressed about the methodology by which the so called "under-recoveries" by the oil companies are estimated and the profitability of the upstream oil companies, I really wonder whether there is any justification for the partial decontrol of retail diesel prices and the huge increase in the price for bulk consumers. In normal marketing practice, it is the bulk consumers who enjoy discounts. All this leads me to question what the true motive behind these perverse decisions could be. I really wonder whether the move is to protect public interest or to benefit private interest.

I, therefore, request you, Mr. Prime Minister, to order an immediate withdrawal of this ill-conceived, ill-timed decision which is totally inflationary, discriminatory and anti-poor"

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